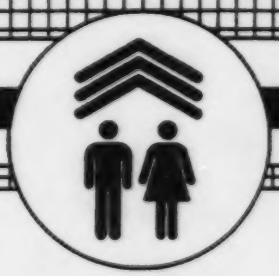
THE REPORT OF THE TASK FORCE ON

ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY

Executive Summary



WORKERS' COMPENSATION BOARD

MARCH 6, 1992

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TERMS OF REFERENCE

On January 6, 1992, the Chairman of the Workers' Compensation Board issued a Terms of Reference which established an internal task force on organization and service. The mandate was to recommend the most effective and efficient methods of achieving the mission of the Board. Inclusive in this process was the establishment of a client centered approach as well as recommendations for an appeals procedure responsive to that approach.

The Task Force consisted of twelve members and began its deliberations on January 6, 1992. The report was completed on March 6, 1992.

The Task Force was given complete access to information and to staff within the Board and carte blanche with the respect to developing its approach to the project.

The process employed revolved around a series of interview sessions ranging across the whole organization and continuous meetings, discussions, debates, and questioning of each other in relation to the details of the various functions and tasks involved at each step of the administrative process.

BARRIERS TO EFFICIENCY AND EFFECTIVENESS

In order to determine the most effective and efficient system, the first task at hand was to identify and understand those issues that presently act as barriers. The Task Force identified over 80 issues that affect today's environment for workers' compensation administration. The Task Force categorized these issues and established eight major components that must be satisfied in re-engineering workers' compensation in this province as follows:

1. Organizational standards must be established;

2 An organization-wide strategy must be developed;

3 The present service delivery system must be re-engineered;

4. A greater emphasis must be placed on training/communication;

5. Statistical gathering must be a consistent and ongoing effort;

6. Information Technology must act as a partner to the business of Workers' Compensation;

7. Authority/accountability must become a corner stone of the process;

8. The organization must improve its labour relations,

Within the confines of the client-centered approach or mandate given to the Task Force, a majority of these issues were addressed. The others were identified and dealt with through specific recommendations.

THE PRESENT DELIVERY PROCESS

The Task Force believes the purpose of Workers' Compensation is to act as a conduit between industrial accident and a return to work which would benefit both employers and injured workers. Societal norms, economic conditions and politics have all influenced the system over the years resulting in a purpose that has become more convoluted and frustrating, both for those who receive the service and those who administer the programs.

One of the corner stones of workers' compensation is security of payment. There is no argument that when an accident occurs a benefit structure should be put in place to protect the family unit. However, it should not be envisioned as a means towards a livelihood. The Task Force is concerned that the present process, through compartmentalized program areas and lack of administrative accountability fosters this type of misconception. The Task Force does not accept that injured workers come into the system looking for infinite security, however, it does question whether the system does create that type of situation.

It became clear that the services offered, i.e. claims adjudication, vocational rehabilitation, medical services, etc., are working independently of each other and almost to the point of autonomy. In fact we find a lack of focus in the program areas themselves. To understand the system of Workers' Compensation, one must appreciate the volume that staff work with. Approximately 7,000 pieces of mail

are received on a weekly basis; 2,500 telephone enquiries per week are recorded; and over 35,000 accidents are dealt with on a yearly basis. It is not at all surprising that clients can "fall through the cracks." The system presently in operation in New Brunswick does not have a strong focus on the re-employment of an injured worker.

It became very clear that the issue was one of how the organization reacts to the volume. Staff in the system are presently so busy dealing with information there is very little time left to take a proactive approach and actually control the process. As volume increased over the years, the Board reacted by throwing additional human resources into program areas to deal with it. It was found that in order to make a decision on access of a claim to the system, it presently passes through eleven hands. Thus the Task Force recognized that regardless of the direction taken for workers' compensation in the future, the present work flow must be re-engineered.

On that basis, the Task Force proposed the following recommendations:

1. that the method of delivery for the immediate future be based on a regional segmentation of work within the Saint John setting;

2. that the Claims Management work flow be redesigned as per the chart in Exhibit #1;

3. that the organization adopt a policy to actively and professionally investigate questionable, disputed, spurious, and/or fraudulent claims and pursue them vigorously;

4. that this policy be communicated to employers, workers, advocates, and treatment providers, including the Workers' Rehabilitation Centre;

5. that the organization adopt a policy to actively recoup any overpayments and continually monitor the levels thereof;

6. that payment of claims be done by Claims Officers irrespective of the acceptability of the rest of the recommendations;

Internal Task Force Committee

CASE MANAGEMENT PROCESS

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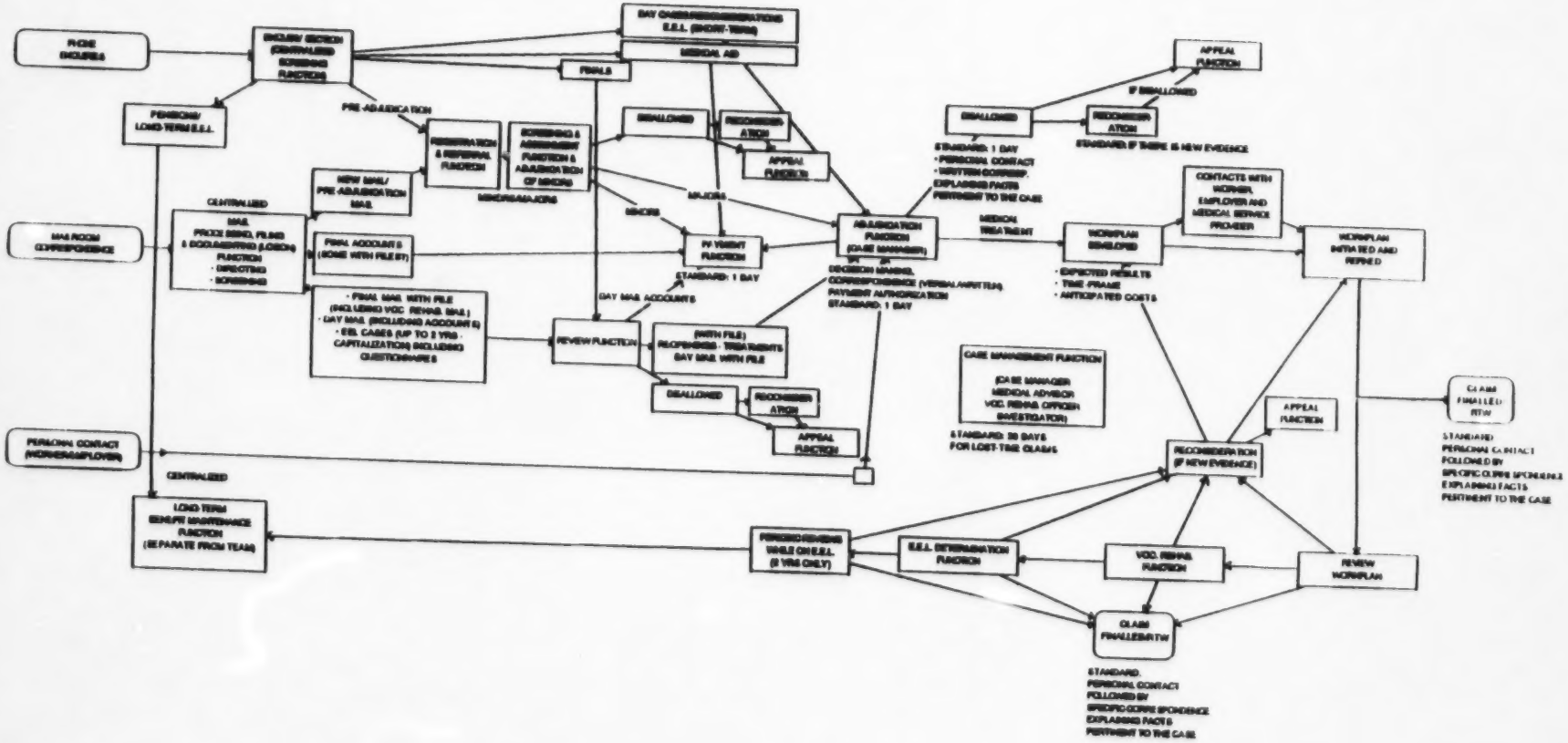

EXHIBIT 1

7. that standards, both qualitative and quantitative, be developed, adopted, maintained, and continually revised and monitored, i.e. audited.

A NEW APPROACH: CASE MANAGEMENT

In considering an alternate service delivery mechanism, the Task Force reviewed literature presently available. As a result, it was proposed that a Case Management model be accepted. The corner stone of this model presumes that those who administer the program share one collective focus: return to work for the injured worker. Through a team effort, timely, effective, and solid decision making will bring the process of workers' compensation back into its rightful place, acting as a bridge between injury and reemployment. It is the Task Force's consideration that Case Management is the vehicle by which this can be accomplished. However, because this model demands the cooperation of external service providers, employers, and injured workers, it must be viewed as a long term solution. We cannot expect dramatic results in shortened duration or cost savings in the short term. However, the Task Force is confident that Case Management will, through its implementation, eventually attain that goal.

CASE MANAGEMENT: A CONCEPTUAL FRAMEWORK

The delivery of services using the philosophy of Case Management is certainly not a new concept. The Task Force cannot accept recognition for the development of this model as it has been and is being utilized by a number of agencies which deliver various services including workers' compensation in other jurisdictions.

However, there is much confusion on what Case Management is and is not. There is a tendency to lump different service delivery systems under the umbrella of Case Management. Although a great number of organizations practice what they call Case Management, the difference in their delivery of services equates to the focus of the system itself. For example, in the United States, insurance companies have been practicing what they call Case Management for a number of years. In reviewing the literature, their focus is on Medical Case Management. In other words, their greatest efforts are concentrated on getting the client through the medical process as a means towards completing the cycle.

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Within the context of Workers' Compensation in this province, the Task Force concluded that in order to be successful, the focus of our Case Management model must be on return to work.

Case Management is seen to be the combination of three very distinct components:

File Management:

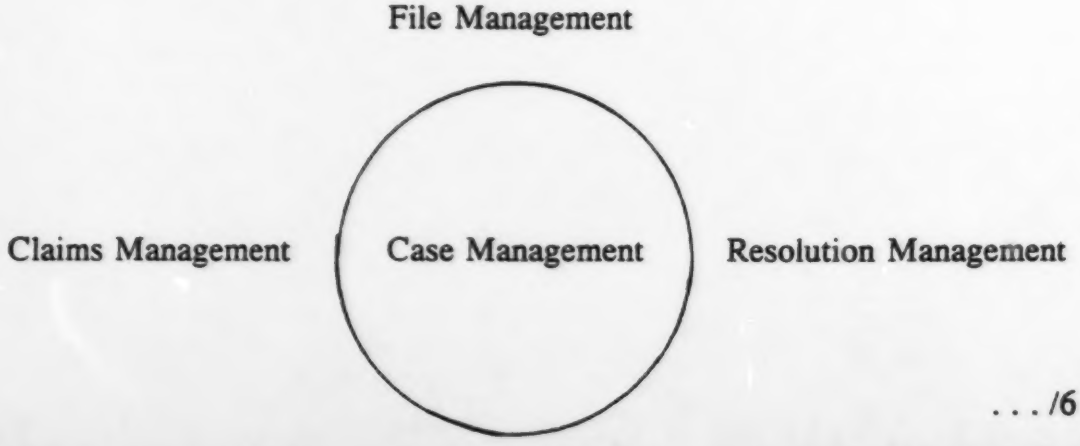
This component deals with the cost effectiveness of the system. The anticipated result is to move the claim along for the benefit of both the employer and injured worker. It answers such questions as "How long do you wait for medical consultations?"; "Is the injury compatible with the accident?", etc.

Claim Management:

The expected result here is the service being delivered. It is similar to that of the Medical Management model, however not as rigid. It deals with such issues as the confirmation of the initial diagnosis; the extent of effectiveness of the treatment plan; the appropriate need for changing the treatment plan and ensuring that expectations of the plans, i.e medical and vocational, have been met.

Resolution Management:

This third component is one which deals with resolving problems and ensuring continued direction. This component is put in place in order that both Claim and File Management can continue to progress through the process. This involves constant interaction of the members that constitute a Case Management team.



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As a result of proposing that the Case Management model be adopted by this organization, the following recommendations are made:

1. that the New Brunswick Workers' Compensation Board adopt a Case Management approach to service delivery;

2. that the Case Management approach embody the concepts of File Management, Claims Management and Resolution Management;

3. that upon the implementation of Case Management throughout the organization, the following service delivery departments be realigned:

   - Claims Management and Administration
   - Vocational Rehabilitation
   - Benefit Services
   - Medical
   - Taxing and Computing
   - Corporate Services
   - Review Department
   - Rate Setting Function
   - Information Technology

4. that there be established Regional Managers under which service delivery teams are set up (as per Exhibit #2);

5. that the position of Senior Medical Consultant be established. It is envisioned that this position would be located within the Planning & Research group;

6. that the Senior Medical Consultant chair a committee of Medical Advisors to recommend and implement cost effective policies and methodologies to deal with the issue such as over-treating, misdiagnosis, waiting periods, family physician/specialist interfacing, and expectations;

7. that a long term benefit maintenance function be established to deal with all pension benefit recipients, as well as long term Extended Earnings Loss claims;

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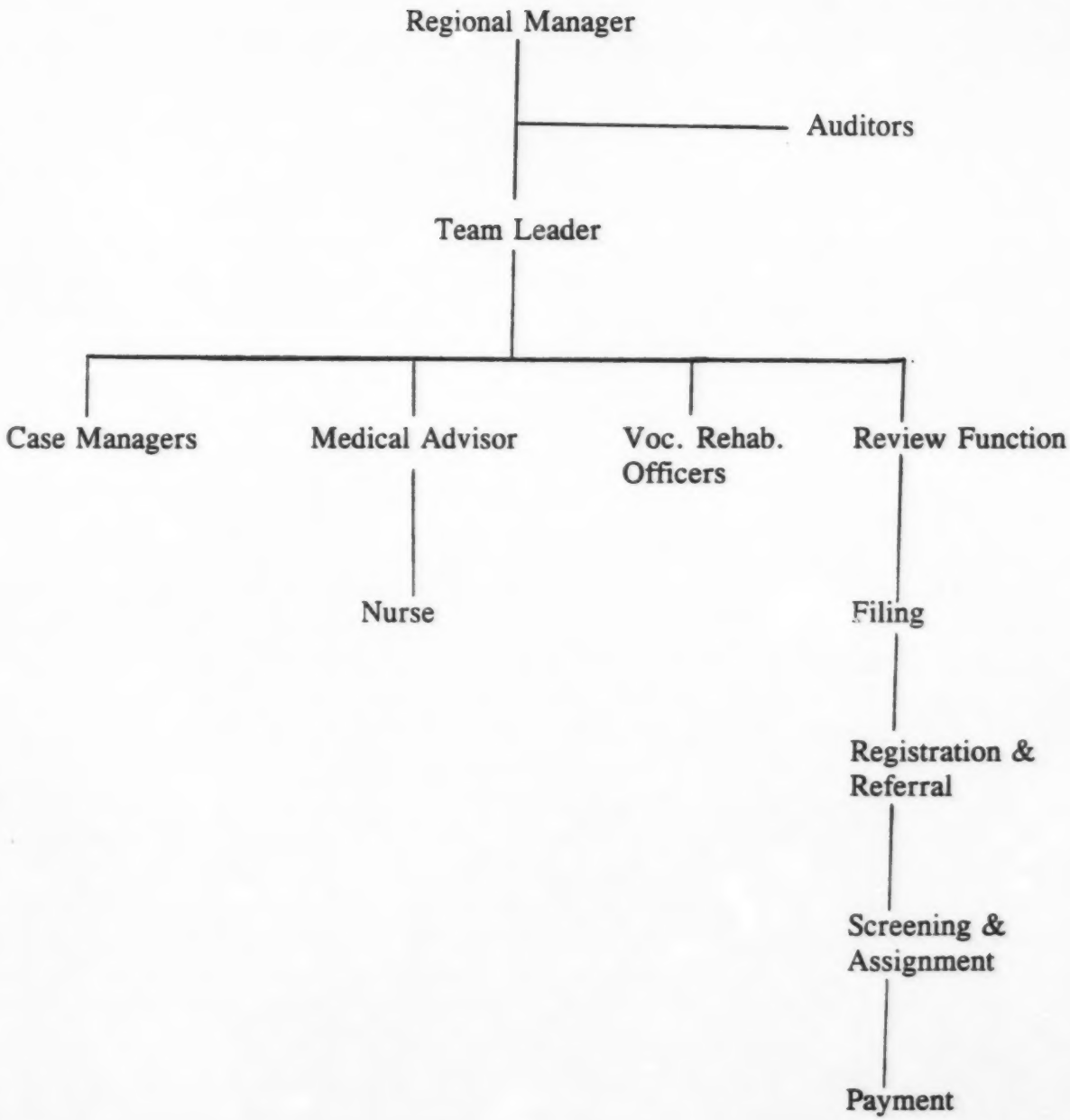
Exhibit 2


Regional Manager
Auditors
Team Leader
Case Managers
Medical Advisor
Voc. Rehab. Officers
Review Function
Nurse
Filing
Registration & Referral
Screening & Assignment
Payment

8. that a stakeholder relations function be established reporting directly to the head of Client Services;

9. that a large Information Technology Business Unit be established and attached to Client Services on a full time basis for the development and enhancement of Client Services delivery systems;

10. that a function called "reconsideration" be introduced at the team level but only utilized when new evidence is available;

11. that the title of Manager within the Board be given meaning by ensuring that responsibility, decision making authority, and accountability are contained in those jobs;

12. that the vice-chairman actively pursue a practice of debriefing Case Managers and Team Leaders, as well as Medical Advisors of the reasons for decisions of the Appeals Board;

13. that a bi-annual one day symposium be held for Case Managers, Medical Treatment Advisors, Vocational Rehabilitation Officers, Team Leaders, and Appeals Board Members to discuss issues and problems involved in service delivery;

14. that case review retreats be held by the vice-chairman of Appeals at least quarterly with Case Managers, Team Leaders, and Medical Treatment Advisors to review specific cases and the decision making process and rationale.

REORGANIZATION

The next exercise for the Task Force was to determine the roll out for Client Services in order to most effectively function within the organization. In the opinion of the Task Force, geographical distribution of teams was determined to be most effective for service delivery.

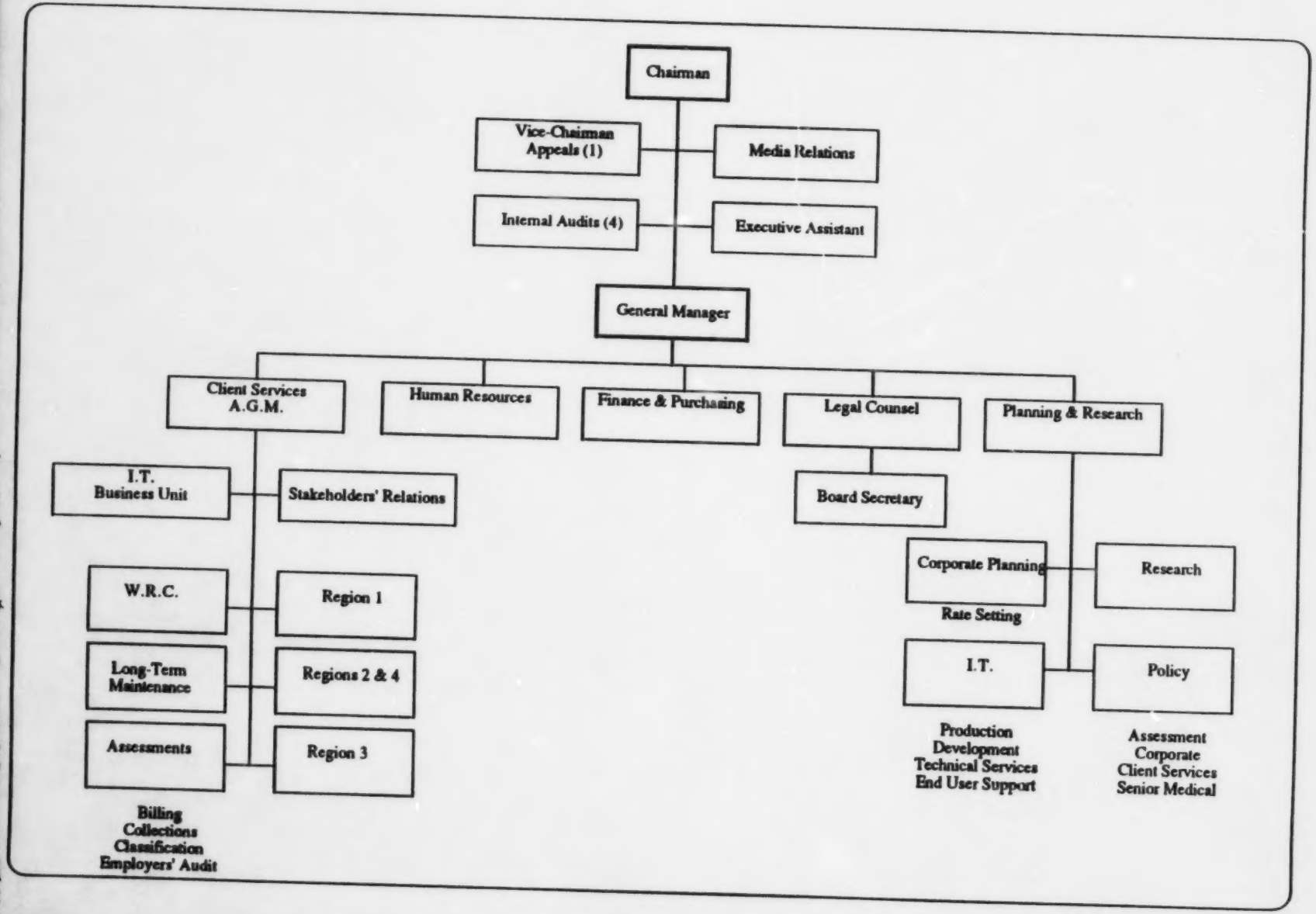
The advantages of geographical distribution are as follows:

- More equal distribution of cases;
- Constant contact for employers;
- Team members can build a rapport with employers;
- Constant interaction with treating physicians and injured workers which will result in a more equal cohesive development of return to work strategies.

Four regions were established, similar to the present system, with the exception of realigning the Eastern region out of Edmundston to only include Madawaska, Victoria, and Carleton counties. The remaining counties would be attached to the Saint John region. The model developed by the Task Force placed the case load, i.e. number of injured workers to receive service from each Case Manager, to equal approximately 100.

In order to support the business side of workers' compensation, the Task Force felt the very strong need to complete the restructuring exercise for the whole organization. There is a demand for a central decision making body within this organization. In order to establish priorities, stay the course, etc., we propose that the day-to-day operations be headed by a general manager. We do not believe that the present structure adequately provides for this.

Support for the business, i.e. service delivery, is defined as Human Resources, Finance, Legal Counsel, and Planning & Research. The Task Force recommends that these functions, along with the Chairman, Vice-Chairman, Director of Client Services, and the General Manager, would make up the Management Committee of this organization. This would allow for the business side of the organization to interact frequently with all necessary support departments for the purpose of solid decision making and direction. Exhibit #3 outlines the proposed structure. The remaining functions of Information Technology, i.e. production, technical services and end-user support are proposed to fall within the Planning & Research function of the Board. This unit would also have development resources that are shared by the support departments. Since Policy and Planning are part of the Planning & Research Department; establishment of standards for Information Technology for this organization will be housed in this unit.



Feb. 21, 1992

Exhibit 3

To complete the organizational structure, we further propose four staff functions report directly to the Chairman, i.e. the Vice-Chairman of Appeals, the Executive Assistant, Internal Audit, and a new function we would entitle Media Relations.

The recommendations which fall from the above reorganization are as follows:

1 That the Assessment Department, which includes billings, collections, classification, and employers audits, be relocated within the Client Services Division since clients are defined as both injured workers and employers;

2. that the organization be reorganized at the top to provide day to day direction and guidance operationally which will ensure consistency and continuity, and that this would be attained through the creation of a General Manager reporting directly to the Chairman. We understand that for the time being, the present Chairman is and will continue to function as both Chief Executive Officer and General Manager;

3. that the Management Committee be enlarged to include Finance, Human Resources, Legal Counsel, and Planning & Research;

4. that the remaining Information Technology functions be located in Planning & Research;

5. that a new function called Media Relations be added and report directly to the Chairman, as well as the Vice-Chairman of Appeals, the Executive Assistant, and Internal Audit;

6. that the position of Media Relations be designed, bearing in mind the requirements of the Board, after the amalgamation with Occupational Health & Safety Commission and the combined resources;

7. that the Internal Audit function be expanded to include four full time persons dedicated to the auditing of standards and programs.

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APPEALS FUNCTION

In the present system, adverse decisions to clients have created a structure of their own. There are effectively four levels of decision making if the client is not satisfied with the original decision rendered. In today's system, the staff making the original decision cannot review same if the client does not agree. This absolves staff from the responsibility of the decision rendered. Secondly, it does little to foster a working relationship between the client and staff.

Philosophically, the idea of allowing clients the opportunity for reconsideration by different bodies is a sound one. Realistically, the present structure has a tendency to bog the system down. In the Case Management Concept, authority, responsibility, and accountability must be placed at the lowest common denominator, that being the Case Manager. The Case Manager must have the availability of reconsidering decisions in order to build a trusting, working relationship with the client. Therefore, the Task Force recommends the abolishment of the first and second levels of appeal and the creation of a "reconsideration" function within the Case Management Team. Since all disciplines are represented on the team, it is considered that the quality of decision making will be at a much higher level and subsequently negate the need for additional levels of appeal.

The recommendations from the Task Force are as follows:

1. The first and second levels of appeal be discontinued with a roll-out of the organization-wide implementation of Case Management;

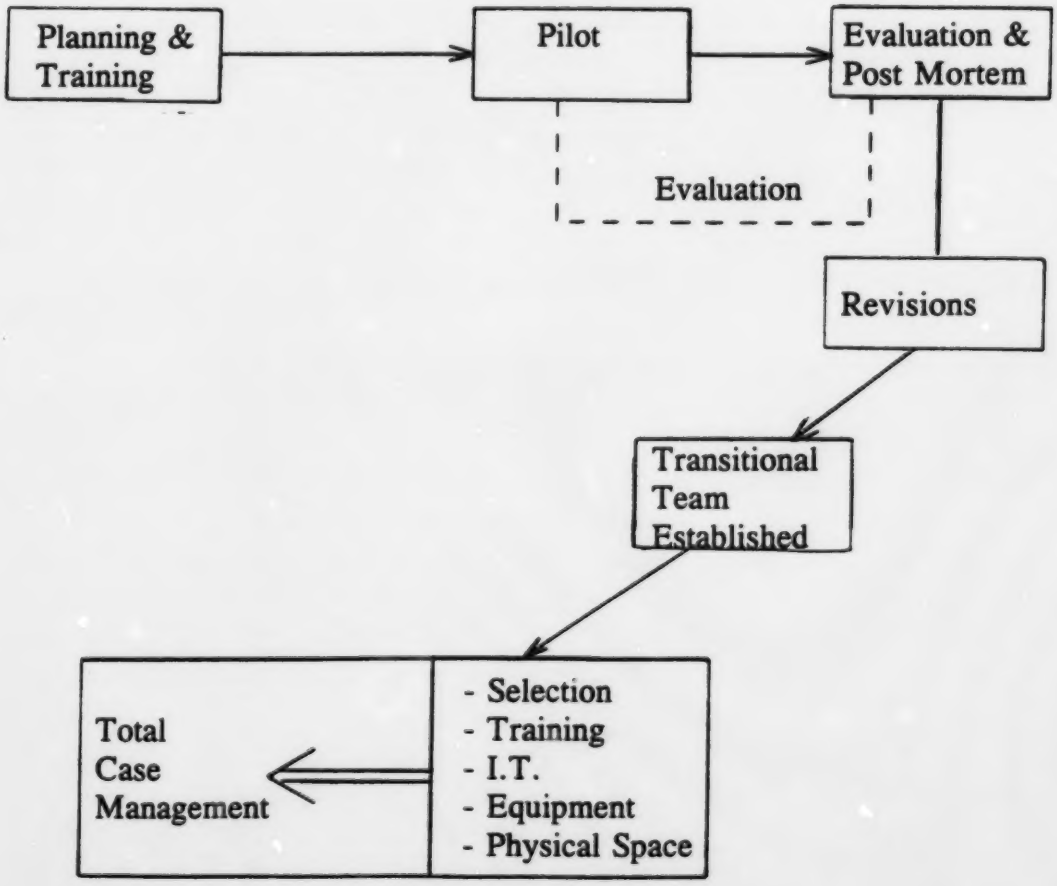
2. that a function called "reconsideration" be introduced at the team level which should only be utilized when new evidence is available;

3. that legal counsel undertake a review with others to make recommendations for legislative changes required to restrict access to the Appeals Board on more specific grounds that presently exist.

IMPLEMENTATION

The Task Force is firmly convinced that the Case Management concept will work in this organization. We propose that it be implemented in two distinct phases; the first phase would be to establish a pilot project to run out of the Saint John region with approximately 1/2 of the existing workload. Once the pilot project has been completed, that roll-out of Case Management be done en masse for the entire organization. The following chart depicts the Task Force's view of the roll out process.

ORGANIZATIONAL ROLL-OUT



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The recommendations falling out of this proposal are the following:

1. that Case Management be implemented in two distinct phases; 1) pilot project involving 1/2 of the Saint John region, and 2) the rest of the organization;

2. that the pilot team be housed separately from the present departments;

3. that the summary of job descriptions written by the Task Force be completed and approved as the case may be;

4. that all the positions in the pilot team be posted and a thorough selection process be established;

5. that a training program be designed and implemented well before the commencement of the pilot;

6. that the pilot team members be put through it prior to start-up;

7. that the pilot team be given the task of "cleaning up" many of the existing claims as part of its training process;

8. that the pilot team be put in place and measured over a period of six to nine months;

9. that the cheques that are processed during the day be printed at night so that clients receive same-day service.

REMAINING ISSUES

The Case Management Concept is not a panacea and certainly will not resolve all the issues identified by the Task Force that need to be dealt with in order for the Workers' Compensation Board to become a "Centre of Excellence." The following is a compendium of recommendations based on those issues that were not resolved by recommending a Case Management approach to service delivery:

1. that prior to any further decentralization, the organization undertake a thorough review of the geographic, volume and service issues required with the respect of the location of additional offices;

2. that no further decentralization decisions be undertaken until such time as the Information Technology support is in place. Thereafter, an evaluation of the pros and cons should be undertaken including a review of whether existing regional structures are appropriate;

3. that an interdepartmental committee be struck to develop a disaster recovery plan, including but not limited to physical, storage, backup, etc.;

4. that a master plan for training and development be constructed dealing with training requirements over the next five years with a cost benefit analysis and rationale by person;

5. that an interdepartmental committee be struck to define the statistical requirements of the organization to manage its business;

6. that the Occupational Health & Safety Commission participate actively in the Statistics Committee to determine the data required to manage the business of the Board, including the Workers' Rehabilitation Centre;

7. that a need study be undertaken within the organization to determine its Information Technology business requirements for the present and the future;

8. that Information Technology must consider itself and be considered by its users as a partner in the business;

9. that a technology plan be devised to satisfy user needs with a prioritized implementation schedule;

10. that a concentrated corporate literacy program be initiated and conducted;

11. that Legal Counsel head up a Task Force to draft legislative amendments required for the continued proper functioning of the Board and to rewrite in its entirety the Workers' Compensation Act in layman's language;

12. that a performance evaluation system be adopted by the Board to ensure that individuals are providing the level and quality of service expected of them;

13. that a monthly house organ/newsletter be published through media relations on a monthly basis, covering all aspects of the Board. This should be widely distributed, as well as outside the Board, to Advocates, Health Care Providers, labour, and employers;

14. that an enhanced level of team work and cooperation, fostered by a mutuality of respect at both individual and institutional levels within the organization be adopted to improve the labour relations climate;

15. that the Chairman adopt the recommendations contained in this report, distribute what he is prepared to accept, and announce his endorsement and implementation plan and timetable.